



\$400 Billion For Medicare Delivers Little

By Steve Israel

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Anyone who's ever seen C-SPAN is familiar with how votes are typically conducted in the House of Representatives.



A vote is called, and what previously seemed a desolate floor becomes energized. A changing tally and descending clock appear on the screen. When the time is up, usually after about 15 minutes, the gavel comes down, the vote is over, the result is announced and the House proceeds to new business.

Imagine the contention and anger on the House floor Saturday when, after the bill overhauling Medicare appeared to be defeated by two votes at 3 a.m., Republicans kept the vote open for an extra three hours - making it the longest vote in House history. If anyone had any doubts about just how bad this 678-page bill had become, that doubt should have been erased by the fact that it took three extra hours of arm-twisting (including frantic calls by President George W. Bush) to force members of Congress to switch their votes and put this mess over the top.

This is not what I envisioned when I was one of only nine Democrats who voted to move the bill forward into a House-Senate conference last June. That bill contained my amendment to help solve the unfair policy that tossed 85,000 Long Island seniors out of their Medicare HMOs. Although other aspects of the bill were flawed, I believed it was important to move the process forward and give the conference an opportunity to improve the bill, rather than kill it prematurely.

But the bill changed dramatically, although my amendment was retained. House extremists refused to budge on critical issues, stripped out important cost savings and went back on their word on allowing reimportation of safe, affordable pharmaceuticals from Canada.

Let's start with the meager benefit itself: Never has \$400 billion purchased so little. The strange patchwork of coverage would result in wild variations in the amount of savings, depending on how much a beneficiary spends on prescription drugs. This on-again, off-again benefit applies between \$251 and \$2,250 in drug expenses, then terminates between \$2,251 and \$5,100 in total costs, then resumes after \$5,100. Seniors with drug costs as high as \$5,000 will end up paying \$4,000 out of pocket. Someone who spends \$800 annually on prescriptions could actually lose money by participating - through a combination of copayments, monthly premiums and a \$250 deductible.

There are ways to spend our \$400 billion more wisely. In the same way that Wal-Mart offers

lower prices by buying in bulk, Medicare could get seniors a better deal by negotiating with drug companies. Yet, the secretary of health and human services is explicitly barred from using the bargaining power of 40 million Medicare enrollees to get lower prices.

And the provision that the House passed allowing for the safe, legal reimportation of prescriptions from Canada was deleted behind closed doors. The only cost-saving measures in this legislation are those where the seniors and the taxpayers must bear the burden. The prescription drug companies stand to gain billions from the legislation. Yet, we have made no attempt even to haggle with them.

Another reason I could not vote for final passage was the bill's insistence on privatizing Medicare. The bill creates six regional "demonstration projects" that require Medicare to compete with private insurance companies in 2010. Private health insurance companies will control their costs by enrolling only the healthiest seniors, who are less expensive to serve. That will leave high-cost seniors in traditional Medicare. If Medicare is more expensive than the private plans, the bill requires Medicare recipients to pay the difference in higher premiums.

Some argue that this provision is an improvement over the earlier version, since it is only an experiment in six areas, but because of the large size of the qualifying regions almost one-quarter of all Medicare beneficiaries could be enrolled in these demonstrations. And experiments tend to be more dangerous when you are the guinea pig. I'm not willing to allow Long Island seniors to see their Medicare premiums hiked or services cut in a roll of the dice that some called a compromise.

The sad part is that Congress could have done better. Moderate Democrats like me, and many Republicans as well, were anxious to support a bill that provided a prescription drug benefit to seniors, not to drug companies. We would have voted for a bill that strengthens Medicare, not privatizes it. We would have supported a bill that reduces costs to seniors instead of guaranteeing rising stock prices for drug companies.

At the end of the day - 6 a.m. on Saturday, to be precise - the House passed 678 pages of empty and broken promises to America's seniors. The Senate yesterday followed suit. Once those seniors begin digesting that bill, I have a feeling Congress will be required to stay up late voting to undo the damage.

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